

As I approach the close of my first year as your director, I thought a review of some of the accomplishments for the agency. Recently I spoke at the CHMM meeting who asked:

What have been the biggest challenges for you as the new director over the last year?

- CPP; start and stay
- Permit Backlogs
- Inspection/compliance determinations
- Retirements/staff retention
- Permit Assistance/Compliance Assistance

My immediate goal for the agency is “we need to make it easy to be in compliance”. We will accomplish this through increased training sessions offered throughout the state, work with the regulated community and be responsive to the public.

What successes has the department enjoyed during the transition?

- Measurement/ Metrics for the agency
- 100 th on-line construction storm-water permit
- Air General permits/on line November to present
- Permit assistance/compliance assistance initiative January 1, 2016
- Compliance determination Semester 1, 2015
- Beatrice voluntary cleanup/superfund
- More timely management of Waste and Litter Grants and clean-up assistance funds
- Clean audit of SRF DW and CW
- Getting to know Nebraska Industries/Agriculture and working with Nebraska agencies

Are there significant changes to the NDEQ's relationship with EPA or delegated authority from the EPA in the works?

- Not planned
- Nationally – much more aggressive. Much more defined federalism, states are seen as junior partners
- Region 7 – trying to maintain a good relationship; watchful...EPA has inspected 1 MS4 community and may levy a fine and fined a foundry \$90,000.

What are EPA's priority programs for the current fiscal year(s)? What role will NDEQ serve in support of these priorities?

- Storm water/municipal
- CAFO
- Air toxics
- Sources of air pollution
- Energy extraction
- Mineral processing
- Region 7 – chemical/petro near waterways
- Food processors near small/medium towns

Since the last EQC meeting I have added a new member to our management team, Kara Valentine who is the Deputy Department Director for Air and Land issues. Steve Goans is the Deputy Department Director for Water issues. Dennis Burling remains acting Deputy for Financial, IT and HR. These deputy department directors each have significant experience in their field of responsibility and have "hit the ground running".

We are in the process of hiring a Water Division Administrator for the permitting and inspections part of water and when that process is accomplished the management team hiring will be complete. The other Division Administrators are Shelley Schneider – Air, David Haldeman Waste and Marty Link – Water (319, groundwater and water quality). More attention will be devoted this year with the management team to reflect on last year's measurements and address continuous process improvement in the areas of compliance assistance, permitting and inspections.

The internal process changes for the agency seem to be going well. We are in the process of defining next year's work plan and completing 2015 performance evaluations. 2016 performance expectations are being developed.

Council Members: The State Auditor's office has recently completed audits of the Clean Water State Revolving Fund Program and the Drinking Water State Revolving Fund Program for the fiscal year ended June 30, 2015. The Auditor's office identified the Environmental Quality Council as having some oversight of the programs, including the approval of the Intended Use Plans (IUP), approval of loan interest rates, and approval of revenue bond issue amounts and, as such, the Council meets the definition of "those charged with governance" found in auditing standards generally accepted in the United States of America.

The Auditor reported that auditing standards require them to communicate certain information to those charged with governance. As a result, the Auditor sent the attached letter addressed to the Council to meet those requirements. The Auditor states that this information has been provided to satisfy our requirements under auditing standards, and a response is not required.

Thanks also for your involvement in the council. Your attention and your engagement in the activities of this group are impressive. Through the year we often ask for your advice or you forward constituent issues for our attention. We appreciate your advice and your service.

Sincerely



Jim Macy

Director